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C O N F I D E N T I A L SECTION 01 OF 02 ANKARA 000329

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TAGS: [ENRG](#) [EPET](#) [TU](#)

SUBJECT: MINISTER GULER LAYS OUT US-TURKEY ENERGY PRIORITIES

REF: A. ANKARA 289

[1](#)B. ANKARA 315

Classified By: DCM Doug Silliman for reasons 1.4 (B) and (D)

Summary

[1](#)1. (C) Ambassador Jeffrey told Energy Minister Hilmi Guler on March 2 that regional energy security will be a priority issue for Secretary Clinton during her March 7 stop in Ankara. Ambassador expressed concern about Turkey's rapprochement with Russia on energy issues and urged continued GOT support for the East-West energy corridor to bring Caspian oil and gas resources to Europe. Guler said Turkey is increasing cooperation with Russia because it is offering gas to meet Turkey's critical supply needs. If the U.S. can help Turkey get alternative gas supply from Iraq and Turkmenistan, Turkey's willingness to cooperate with Russia will change. Guler's priorities for the U.S-Turkey energy relationship are:

-- U.S. high-level engagement in Central Asia on energy issues;

-- increased U.S. leadership to make Iraqi and Turkmen gas available and U.S. support for a gas export route from Northern Iraq to Turkey;

-- U.S. investment and support for renewable energy and energy efficiency in Turkey;

-- political support for Turkey's Samsun-to-Ceyhan oil pipeline; and

-- accelerating ExxonMobil's investment timetable in Black Sea exploration. End summary.

[1](#)2. (C) Ambassador met with Guler to reiterate the long shared U.S.-Turkish strategic vision for the development of an East-West energy corridor to bring new Caspian basin resources to market through diversified (i.e. non-Russian) routes. Ambassador asked whether Turkey's vision had changed in light of President Gul's successful February 12-15 visit (ref a) to Moscow and Foreign Minister Babacan's February 21 comments that Russia gas is welcome for Nabucco (ref b). Guler said the GOT's strategy remains the same but Turkey's concern about not being able to meet rising domestic gas demand also remains the same. What has changed is Russia's willingness to help Turkey by providing gas supply. Guler said Turkey expects a visit from Gazprom CEO Alexi Miller in the next few weeks to make Russia's proposals to Turkey more

concrete. However, if the U.S. can help Turkey find alternative gas sources (from Iraq and Turkmenistan), Turkey's willingness to cooperate with Russia will likewise change.

Guler's Wish List for U.S.-Turkey Energy Cooperation

13. (C) Guler took the opportunity to share with the Ambassador his priorities for U.S.-Turkey energy cooperation.

-- The U.S. needs to have high-level, sustained engagement on energy issues. Russia has tremendous influence in Central Asia, not just because of former Soviet ties but also because of frequent visits by PM Putin and President Medvedev to the region. The U.S. needs to copy the Russian model.

-- Iraqi and Turkmen gas are key to the commercial viability of the East-West energy corridor. The U.S. needs to do more to encourage Iraq and Turkmenistan to open up the development of their fields to Western partners and to obtain their commitment to shipping gas West. Turkey is ready to invest in Iraqi fields and to build a gas export pipeline from Northern Iraq to Turkey.

-- In order to lessen its dependence on gas, Turkey needs to change its energy mix, invest in renewable energy technologies, energy efficiency, clean coal technology and civilian nuclear power. Cooperation with the U.S. in these areas would help lessen Turkey's dependence on Russian gas. Ambassador reminded Guler that we are waiting for the

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Ministry's response to the initial proposals for cooperation submitted by the U.S. Trade and Development team that visited Turkey in January 2009. Guler said the Ministry is ready to cooperate on all projects. Ambassador urged Guler to conduct the next nuclear power tender in a way that encourages international companies, like U.S. firm GE, to participate. Guler agreed.

-- Guler asked for U.S. support for the construction of an oil pipeline to carry Kazakh crude from Samsun to Ceyhan. Guler noted that a rival pipeline scheme (Burgas-Alexandropolis) to attract the same oil is being planned by the Russians. Guler added that from the viewpoint of diversity of routes, it does not make sense to give control of this route through two NATO allies to Russia.

-- ExxonMobil has signed a contract with Turkish Petroleum to explore for oil and gas in the Black Sea. With new geological data, Turkey believes there is great potential for finding new oil and gas reserves. These reserves are very important to Turkey because they will lessen its dependence on imported resources (currently 93%). The U.S. should encourage ExxonMobil to expedite their investment and exploration plan.

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Jeffrey